

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

HOTEL INVESTORS CORPORATION

(Registration)

SECOND REVISED ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on September 1, 1993, and before the Nevada Gaming Commission ("Commission") on September 23, 1993, at Las Vegas, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;
IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE
RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the following applications, as amended and supplemented, have been
filed:

a. The application of Hotel Investors Corporation for approval to make a
public offering of up to 14,100,000 shares of its common stock; and

b. The application of Hotel Investors Corporation for an amendment to its
Order of Registration.

2. THAT the Revised Order of Registration of Hotel Investors Corporation, dated
December 17, 1992 and Amendment No. 1 thereto, dated January 28, 1993, are hereby
amended and restated, in its entirety, by this Second Revised Order of Registration.

3. THAT Hotel Investors Corporation is registered as a publicly traded corporation and found suitable as the sole stockholder of Hotel Investors Corporation of Nevada.

4. THAT Hotel Investors Corporation of Nevada, dba Bourbon Street Hotel and Casino, and dba King 8 Hotel and Gambling Hall, respectively, is licensed to conduct nonrestricted gaming operations at 120 East Flamingo Road, Las Vegas, and at 3330 West Tropicana Avenue, Las Vegas, respectively.

5. THAT Hotel Investors Corporation is granted approval, pursuant to NGC Regulation 16.110, to make a public offering of up to 14,100,000 shares of its common stock, par value \$0.10, as described in the Securities and Exchange Commission ("SEC") Form S-4 Joint Proxy Statement-Prospectus ("Registration Statement").

6. THAT the approvals set forth in paragraph 5 above are specifically conditioned as follows:

a. That Hotel Investors Corporation shall keep the Board's Corporate Securities Division continuously and promptly informed as to the progress of the public offering and as to any other event that would have a material effect on Hotel Investors Corporation or its subsidiaries which would be subject to reporting on SEC Form 8-K; and

b. That the approvals granted herein may be rescinded without prior notice upon the issuance of an interlocutory stop order by the Chairman of the Board. Said interlocutory stop order, if issued, shall remain in effect until the interlocutory stop order is lifted by the Commission upon such terms as are satisfactory to the Commission.

7. THAT the approvals granted herein shall not be construed, represented or interpreted as an endorsement of the transactions described in the Registration Statement, nor shall the approvals granted herein be used, in any manner oral or written, by Hotel Investors Corporation or Hotel Investors Trust, or their directors, officers or agents, in any solicitation of the stockholders of Hotel Investors Corporation or Hotel Investors Trust for approval of the transactions described in the Registration Statement.

8. THE Commission hereby delegates to the Chairman of the Board the authority to issue interlocutory stop orders for good cause, which shall remain in effect until lifted by the Commission as provided in paragraph 6(b) above.

9. THAT Hotel Investors Corporation is granted 180 days from the date of this Second Revised Order of Registration to have the Registration Statement declared effective by the SEC. If the Registration Statement is not declared effective by the SEC within said time period, unless administratively extended by the Chairman of the Board or his designee, then this Second Revised Order of Registration and all of the approvals, terms and provisions herein shall be deemed withdrawn and rendered null and void.

10. THAT this Second Revised Order of Registration shall not be effective until and unless the Registration Statement is declared effective by the SEC and the transactions described therein are completed and effective.

11. THAT Hotel Investors Corporation is granted approval pursuant to NRS 463.510(1) to pledge the common stock of Hotel Investors Corporation of Nevada to Hotel Investors Trust provided that: (a) the Security Agreement and the Addendum to Security Agreement in the form of the drafts dated January 22, 1993, must not be amended, modified or altered in any way which would affect the terms, provisions, effectiveness or validity of the Addendum to Security Agreement; (b) the prior administrative approval of the Chairman of the Board or his designee must be obtained before any funds may be swept from the cash accounts of Hotel Investors Corporation of Nevada; (c) the prior approval of the Commission must be obtained before any foreclosure or transfer of the possessory security interests in such common stock (except back to Hotel Investors Corporation) and before any other resort to such common stock collateral or other enforcement of the security interests in such common stock, may occur; and (d) pursuant to NGC Regulations 15.510.1-3 and 8.030.(4)(a), the common stock certificate(s) of Hotel Investors Corporation of Nevada evidencing said pledge of common stock must at all times remain physically within the State of Nevada at a location designated to the

Board and must be made available for inspection by agents or employees of the Board immediately upon request during normal business hours.

12. THAT Hotel Investors Trust is granted approval pursuant to NRS 463.510(1) to pledge the common stock of Hotel Investors Corporation of Nevada to Wells Fargo Bank, N.A., as Collateral Agent provided that: (a) the Security Agreement and the Addendum to Security Agreement in the form of the drafts dated January 21, 1993, must not be amended, modified or altered in any way which would affect the terms, provisions, effectiveness or validity of the Addendum to Security Agreement; (b) the prior administrative approval of the Chairman of the Board or his designee must be obtained before any funds may be swept from the cash accounts of Hotel Investors Corporation of Nevada; (c) the prior approval of the Commission must be obtained before any foreclosure or transfer of the possessory security interests in such common stock (except back to Hotel Investors Trust or Hotel Investors Corporation) and before any other resort to such common stock collateral or other enforcement of the security interests in such common stock, may occur; and (d) pursuant to NGC Regulations 15.510.1-3 and 8.030(4)(a), the common stock certificate(s) of Hotel Investors Corporation of Nevada evidencing said pledge of common stock must at all times remain physically within the State of Nevada at a location designated to the Board and must be made available for inspection by agents or employees of the Board immediately upon request during normal business hours.

13. THAT Hotel Investors Trust is granted approval pursuant to NGC Regulation 15.510.1-4(a) to place restrictions upon the transfer of, and to agree not to encumber, the common stock of Hotel Investors Corporation of Nevada.

14. THAT pursuant to NRS 463.625, Hotel Investors Corporation is exempted from compliance with NRS 463.585(1), (2), (5), (6) and (7), and NRS 463.595 through NRS 463.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

15. THAT Hotel Investors Corporation is exempted from NGC Regulation 15, except for the provisions of NGC Regulations 15.585.3-1, 15.585.3-2 and 15.585.4-1, and shall instead comply with NGC Regulation 16.

16. THAT Hotel Investors Corporation shall fund and maintain with the Board a revolving fund in the amount of \$5,000 for the purpose of funding investigative reviews by the Board for compliance with the terms and provisions of this Second Revised Order of Registration. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of said account for the payment of costs and expenses incurred by the Board and its staff in the surveillance, monitoring and investigative review of all activities, including public offerings, of Hotel Investors Corporation, Hotel Investors Trust and Hotel Investors Corporation of Nevada, and their affiliated companies.

17. THAT the Commission expressly finds that the exemptions hereinabove granted are consistent with the State policy set forth in NRS 463.0129 and NRS 463.489.

ENTERED at Las Vegas, Nevada, this 23rd day of September 1993.